

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1450 - HB 1465**

January 31, 2015

**SUMMARY OF BILL:** Authorizes tax collectors of cities, towns, counties, and metropolitan forms of government to publish notices listing the names of hotel operators who have failed to collect or remit hotel occupancy taxes. Requires notice to be published before local governments may attempt to collect delinquent hotel occupancy taxes. Sets forth requirements for publishing such notice; requires local entities that elect to publish such notice to pay the publication costs; and states that local hotel tax records are not considered confidential records. Authorizes local legislative bodies to modify existing local statutes that are in conflict with the provisions of this bill.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Revenue - Exceeds \$5,000/Permissive**  
**Increase Local Expenditures - Exceeds \$1,100/Permissive**

Assumptions:

- This bill does not impact state government.
- Any fiscal impact to local government will occur as a result of a permissive action.
- The hotel occupancy tax is a privilege tax administered by counties and municipalities.
- Based on information from the Tennessee Hospitality and Tourism Association, this bill will not impact tourism in Tennessee.
- Local governments will not publish delinquency notices unless the taxes owed are sufficient to justify the cost of publishing the notice.
- It is assumed operators will pay delinquent hotel occupancy taxes after proper notice has been published.
- Based on responses to the 2013 Local Government Survey conducted by the Fiscal Review Committee, responding local officials reported an average cost of \$108 for each legal notice that is published.
- The number of local entities that will elect to publish notice each year is unknown; however, it is reasonably estimated that at least 10 local entities will elect to publish notice each year. The permissive and recurring increase in local government expenditures is estimated to exceed \$1,080 (\$108 x 10).
- The total amount of delinquent tax revenue that will be realized pursuant to local entities electing to publish notice of delinquent taxpayers is unknown; however, it is reasonable to assume that any local revenue subsequently realized will exceed the combined costs

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of publications. As a result, the permissive increase in delinquent tax collections is reasonably estimated to exceed \$5,000 per year statewide.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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